(b) and (c) Compassionate appointments are regulated under the aforementioned Scheme which has been formulated by Department of Personnel and Training. According to this Scheme, the compassionate appointments can be made upto a maximum of 5% of the vacancies falling under direct recruitment quota in any Group 'C' or 'D' post. The Group 'C' posts against which appointment on compassionate grounds, are made, are earmarked Commissionerate-wise by the Cadre Control Commissioners. Commissioner, Vadodara-I is the cadre control commissioner for the Gujarat State. No earmarked Group 'C' post or Group 'D' post is vacant. Compassionate appointments of the applicants on the waiting list shall be made as per their turn when vacancies in Group 'C' post or Group 'D' posts arise.

Imprisonment for defaulter auditors

2757. SHRI K.B. KRISHNA MURTHY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Department of Company Affairs is considering enactment of a statute providing for 10 years imprisonment for auditors indulging in professional misconduct;

(b) whether Government would also make it mandatory for auditors to report fund misuse/falsification of ledgers etc., by corporates; and

(c) if so, the details thereof?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) No, Sir.

(b) Section 227 of the companies Act, 1956 already requires the auditors to report on the accounts being a true and fair view of the state of affairs of a company.

(c) Does not arise.

Forged stamp papers

2758. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware that they are losing revenue worth thousands of crores of rupees annually because of wide circulation of forged judicial and non-judicial stamp papers;

(b) if so, whether Government propose to strengthen security features on stamp papers as in the case of currency notes; and

(c) the steps taken to strengthen the mechanism of monitoring the process of the printing and distribution of stamp papers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Information relating to loss of revenue on account of circulation of forged stamp papers is maintained by the State Governments as they retain the entire revenue accrued from stamp duty. However, the Central Government has set up a Working Group to identify the prevalent types of forgeries as also to review the adequacy of existing security features in the non-judicial stamp papers and suggest additions/up-gradations thereto. In order to check counterfeiting in judicial and other stamps, India Security Press, Nasik has also been directed to prepare a feasibility report on using some special perforating tools. India Security Press, Nasik and Security Printing Press, Hyderabad have adequate security arrangements, which ensure complete accounting of printed security items.

Risk-Based Supervision for Banks

2759. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Reserve Bank of India propose to introduce Risk Based Supervision (RBS) for banks and to put in place a Prompt Corrective Action (PCA) mechanism;

(b) if so, the details thereof; and

(c) the fresh steps taken for development of a risk profile and designing a customary supervisory action plan for each bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) Risk Based Supervison (RBS) for commercial banks will enhance and refine supervisory practices and bring them in line with international best practices. The objective of RBS is to ensure stablity of the banking